

AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. HINCHEY OF NEW YORK

[Page and line numbers refer to the version of the reported
bill on the Rules Committee website]

Page 27, after line 21, insert the following new section (and redesignate the subsequent sections accordingly):

1 **SEC. 9. NATIONAL CONSUMER USURY RATE.**

2 (a) IN GENERAL.—Section 107 of the Truth in Lend-
3 ing Act (15 U.S.C. 1606) is amended by adding at the
4 end the following new subsection:

5 “(f) NATIONAL CONSUMER CREDIT USURY RATE.—

6 “(1) LIMITATION ESTABLISHED.—Notwith-
7 standing subsection (a) or any other provision of
8 law, but except as provided in paragraph (2)—

9 “(A) the annual percentage rate applicable
10 to any extension of credit may not exceed 18
11 percent on unpaid balances, inclusive of all fi-
12 nance charges;

13 “(B) any fees that are not considered fi-
14 nance charges under section 106(a) may not be
15 used to evade the limitations of this paragraph;
16 and

1 “(C) the total sum of such fees may not
2 exceed the total amount of finance charges as-
3 sessed.

4 “(2) EXCEPTIONS.—

5 “(A) BOARD AUTHORITY.—The Board may
6 establish, after consultation with the appro-
7 priate committees of Congress, the Secretary of
8 the Treasury, and any other interested Federal
9 financial institution regulatory agency, an an-
10 nual percentage rate of interest ceiling exceed-
11 ing the 18 percent annual rate under paragraph
12 (1) for periods of not to exceed 18 months,
13 upon a determination that—

14 “(i) money market interest rates have
15 risen over the preceding 6-month period;
16 and

17 “(ii) prevailing interest rate levels
18 threaten the safety and soundness of indi-
19 vidual lenders, as evidenced by adverse
20 trends in liquidity, capital, earnings, and
21 growth.

22 “(B) TREATMENT OF CREDIT UNIONS.—
23 The limitation in paragraph (1) shall not apply
24 with respect to any extension of credit by an in-
25 sured credit union, as that term is defined in

1 section 101 of the Federal Credit Union Act
2 (12 U.S.C. 1752).

3 “(3) PENALTIES FOR CHARGING HIGHER
4 RATES.—

5 “(A) VIOLATION.—The taking, receiving,
6 reserving, or charging of an annual percentage
7 rate or fee greater than that permitted by para-
8 graph (1), when knowingly done, shall be
9 deemed a violation of this title, and a forfeiture
10 of the entire interest which the note, bill, or
11 other evidence of the obligation carries with it,
12 or which has been agreed to be paid thereon.

13 “(B) REFUND OF INTEREST AMOUNTS.—If
14 an annual percentage rate or fee greater than
15 that permitted under paragraph (1) has been
16 paid, the person by whom it has been paid, or
17 the legal representative thereof, may, by bring-
18 ing an action not later than 2 years after the
19 date on which the usurious collection was last
20 made, recover back from the lender in an action
21 in the nature of an action of debt, the entire
22 amount of interest, finance charges, or fees
23 paid.

1 “(4) CIVIL LIABILITY.—Any creditor who vio-
2 lates this subsection shall be subject to the provi-
3 sions of section 130.”.

4 (b) TECHNICAL AND CONFORMING AMENDMENT.—
5 Section 130(a) of the Truth in Lending Act (15 U.S.C.
6 1640(a)) is amended, in the matter preceding paragraph
7 (1), by inserting “section 107(f),” before “this chapter”.

